Canadian Radio-television and Telecommunications Commission

2010–2011

Report on Plans and Priorities

Honourable James Moore, P.C., M.P.
Minister of Canadian Heritage and Official Languages

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Minister of Canadian Heritage
and Official Languages

Ministre du Patrimoine canadien
et des Langues officielles

Minister's Message

Each year, the Canadian Heritage Portfolio organizations, including the Canadian Radio-television and Telecommunications Commission (CRTC), work very hard so that Canadians across the country can benefit from their rich culture and heritage. As Minister of Canadian Heritage and Official Languages, I am pleased to present the 2010–2011 *Report on Plans and Priorities* prepared by the CRTC.

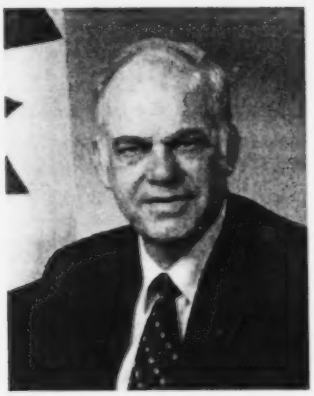
Digital technologies are enhancing our ability to share, celebrate, and enjoy our culture and heritage. Nowhere is this more evident than in the communications industry. Creators are using innovative ways to produce and distribute Canadian programming, which consumers can enjoy at their convenience on a growing number of platforms. Just as importantly, citizens are connecting with others and participating in our country's democratic life like never before.

The CRTC has an important role to play in ensuring that Canadians benefit from broadcasting and telecommunications services that are among the best in the world. In the coming months, it will review the programming commitments of private and public broadcasters, as well as its policies for community radio and television stations. The CRTC will also examine the effectiveness of the Commissioner for Complaints for Telecommunications Services in resolving disputes on behalf of consumers.

The 2010–2011 *Report on Plans and Priorities* describes how the CRTC intends to deliver on its mandate, in order to achieve the objectives of the Canadian Heritage Portfolio and the Government of Canada. In this way, the CRTC will contribute to Canada's cultural, social, and economic vitality.

The Honourable James Moore, P.C., M.P.

Canada



Chairman's Message

I am pleased to present the Canadian Radio-television and Telecommunications Commission's (CRTC's) *Report on Plans and Priorities* for 2010–2011. The report outlines how the CRTC will develop sound regulatory policies that are tailored to the digital communications environment.

Following a public hearing held in November 2009, the CRTC will implement a new framework that will be used to renew the licences of conventional, pay and specialty television services. This framework will enable us to consider, simultaneously, all the television services owned by each corporate entity. Additionally, this year, we will renew the licences of the CBC's radio and television services. This process will give us an opportunity to discuss local and regional programming issues, as well as the evolving role of the public broadcaster.

Another priority will be the transition from analog to digital television, the date for which is August 31, 2011. After the transition, some viewers outside major Canadian cities may no longer be able to watch their local television stations using rabbit ears or an antenna. The CRTC will work with stakeholders to find an acceptable solution that ensures viewers can continue to enjoy the programming offered by local stations.

The wholesale provision of broadband Internet access services will be the subject of a healthy debate next year. The CRTC will hold a public hearing to determine whether it should mandate the rates and terms under which larger telephone and cable companies sell these services to smaller Internet service providers. At the government's request, we will also reconsider an earlier decision related to the Internet speeds the large telephone companies are required to make available to their wholesale customers.

Finally, the CRTC stands to take on important new responsibilities under the proposed *Electronic Commerce Protection Act*. The Act is designed to protect Canadians from spam and harmful computer programs, and to increase their confidence in the digital economy. If passed in its current form, the Act will give the CRTC the authority to investigate violations, impose fines and ensure compliance. We will make the necessary organizational changes to be ready to implement the legislation should it come into force.

Digital technologies are transforming modern communications at a rapid pace. We are seeing a greater convergence of wireline and wireless networks, devices and platforms, as well as the corporations that supply these products and services. It has been advocated to the CRTC that this evolution requires new business, regulatory and legislative concepts. In the meantime, the CRTC is committed to providing the industry with the regulatory flexibility and certainty it requires to succeed in this environment, while ensuring that consumer needs are addressed. These ongoing efforts are made possible by the commitment of the CRTC's staff to serving the public interest.

Konrad von Finckenstein, Q.C.
Chairman

Section I: Departmental Overview

Raison d'être

The Canadian Radio-television and Telecommunications Commission (CRTC) is an independent public authority that regulates and supervises the Canadian broadcasting and telecommunications systems in the public interest.

The CRTC's mandate is to ensure that the broadcasting and telecommunications systems serve the Canadian public. The CRTC's determinations are guided by the objectives established in the *Broadcasting Act* and the *Telecommunications Act*.

The CRTC balances Canadians' needs with the economic realities of the communications industry. Through its regulatory function, the CRTC addresses, among other matters, economic, social and cultural issues in relation to the communications industry. The CRTC fosters:

- a competitive marketplace for Canadian communications enterprises to create jobs and ensure best value for Canadians
- Canada's linguistic duality and cultural diversity
- enhanced accessibility for people with disabilities, such as closed captioning for persons who are hearing-impaired and described video for persons who are visually impaired, and
- the development of mechanisms to address concerns such as abusive comment or violence in the broadcast media, or unjust rates for telecommunications services.

Responsibilities

The CRTC exists under the authority of the *Canadian Radio-television and Telecommunications Commission Act* of 1985. The CRTC's mandate is governed by the *Broadcasting Act* of 1991 and the *Telecommunications Act* of 1993.

The *Broadcasting Act* seeks to ensure that all Canadians have access to a wide variety of high-quality Canadian programming. The *Telecommunications Act* seeks to ensure, among other things, that all Canadians have access to reliable, high-quality telephone and other telecommunications services at affordable prices.

The CRTC fulfils its responsibilities through a number of interrelated activities, including:

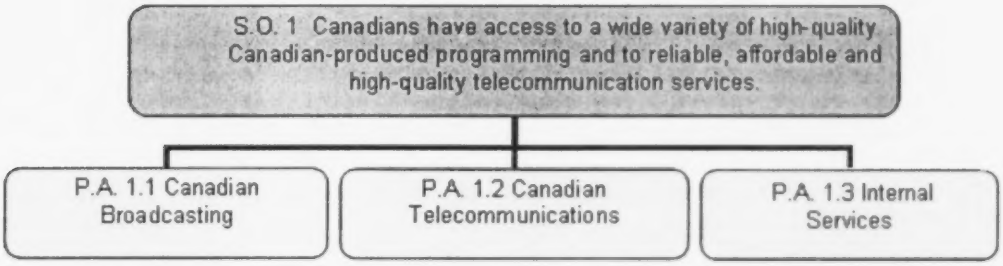
- consulting with Canadians through public processes
- using it website to inform and consult Canadians
- issuing, renewing and amending licences for broadcasting undertakings
- making determinations on mergers, acquisitions and changes of ownership
- approving tariffs and certain agreements for the telecommunications industry
- monitoring and removing obstacles to competition
- resolving competitive disputes
- researching, developing and implementing regulatory policies
- monitoring, assessing and reviewing, where appropriate, regulatory frameworks to meet public policy objectives
- monitoring the programming and financial obligations of broadcasting undertakings to ensure compliance with regulations and conditions of licence, and
- investigating telemarketing complaints and enforcing associated rules.

The CRTC endeavours to ensure that its regulatory policies are current and take emerging technologies, market developments and evolving consumer interests into account, and that regulation, where required, is efficient and effective.

As a federal organization, the CRTC reports to Parliament through the Minister of Canadian Heritage. The CRTC is listed in Schedule 1.1 of the *Financial Administration Act*. Its budget and employees are subject to Government of Canada policies and guidelines to ensure excellence and accountability to Canadians.

Timeliness, transparency, fairness and predictability are the four principles that guide the CRTC's work.

Strategic Outcome and Program Activity Architecture


S.O. 1 Canadians have access to a wide variety of high-quality Canadian-produced programming and to reliable, affordable and high-quality telecommunication services.
P.A. 1.1 Canadian Broadcasting
P.A. 1.2 Canadian Telecommunications
P.A. 1.3 Internal Services

During 2010–2011, the CRTC will focus its efforts on achieving one overarching strategic outcome: To ensure Canadians have access to a wide variety of high-quality Canadian-produced programming and to reliable, affordable and high-quality telecommunication services.

Three program activities will deliver on expected results: Canadian Broadcasting, which deals specifically with activities and priorities of the broadcasting sector; Canadian Telecommunications, which deals with activities and priorities of the telecommunications sector; and Internal Services, which includes activities that support the CRTC itself.

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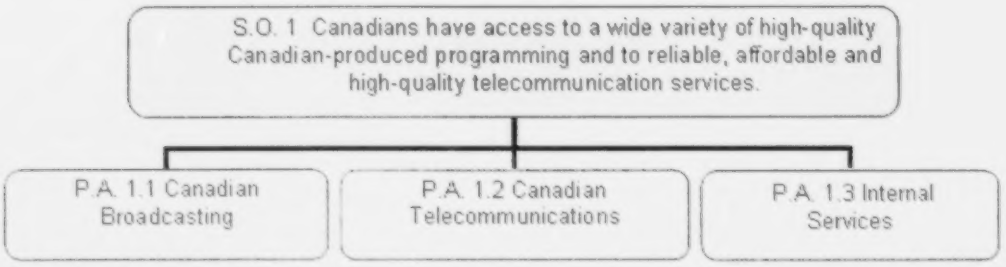
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Planning Summary

Financial Resources ($ millions)

2010–11	2011–12	2012–13
48.1	48.1	48.1

Human Resources (Full-time Equivalent – FTE)[1]

2010–11	2011–12	2012–13
425	425	425

Strategic Outcome 1:	Canadians have access to a wide variety of high-quality Canadian-produced programming and to reliable, affordable and high-quality telecommunication services.

($ millions)

Program Activity	Forecast Spending 2009–10	Planned Spending			Alignment to Government of Canada Outcomes
		2010–11	2011–12	2012–13	
Canadian Broadcasting	17.2	17.5	17.5	17.5	A vibrant Canadian culture and heritage
Canadian Telecommunications	16.5	14.1	14.1	14.1	A fair and secure marketplace
Internal Services[2]	16.9	16.5	16.5	16.5	A vibrant Canadian culture and heritage A fair and secure marketplace
Total Planned Spending	50.6	48.1	48.1	48.1	

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1 This forecasted total excludes FTEs related to Do Not Call List (DNCL) activities given that at the time of finalising this report, no funding has been identified for the period after March 31, 2010.

2 Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Material Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include those activities and resources that apply across an organization. This reporting of Internal Services is in accordance with the Treasury Board *"Revised Profile of the Government of Canada's Internal Services"* Information Bulletin for all organizations subject to the Management, Resources and Results Structures (MRRS) Policy.

Contribution of Priorities to Strategic Outcome 1

Operational Priorities

Operational Priorities	Type	Description	Summary of Plans
Transition from analog to digital television	Ongoing	• In Canada, the transition from analog to digital television transmission is scheduled for August 31, 2011.	• In 2010–11, the CRTC will work toward an industry-led solution that will ensure Canadians continue to have access to conventional broadcast programming. • In 2010–11, the CRTC will work with the Department of Canadian Heritage and Industry Canada toward an orderly digital transition in support of the Government of Canada's spectrum management policy and in keeping with international spectrum requirements.
Convergence	Ongoing	• Technological, business and social innovation continue to drive rapid developments in broadcasting and telecommunications, leading to further convergence of networks, devices, platforms and corporate entities.	• In 2010-11, the CRTC will continue building an understanding of the implications of convergence on both Canada's broadcasting and telecommunications industries, as well as internationally. • The CRTC will release an evidence-based report, *Navigating Convergence,* which sets out the challenges and opportunities for the current regulatory framework.
Enhanced 911 emergency services	Previously committed to	• Canadian wireless service providers recently upgraded their 911 services[3] to enable emergency responders to determine with greater precision the location of 911 calls from cellular phones.	• Improvements to wireless and Voice over Internet Protocol (VoIP) enhanced 911 emergency services have helped improve public safety and provide Canadians with more reliable services. • In 2010–11, the CRTC will review the feasibility of further enhancing 911 services for nomadic VoIP subscribers. The CRTC will continue to monitor technology developments. • The CRTC will also review possible improvements to enhanced 911 services for persons with disabilities, including text messaging to 911.[4]

[3] According to Telecom Regulatory Policy CRTC 2009-40 (February 2, 2009), Canadian wireless service providers had until February 1, 2010 to upgrade their 911 services.

[4] In response to Broadcasting and Telecom Regulatory Policy CRTC 2009-430.

Electronic Commerce Protection Act (ECPA)[5]	New	• Under proposed legislation, the CRTC would have investigative and enforcement responsibilities and powers to counter spam and malware.	• Enforcing anti-spam legislation would reduce the volume of unwanted emails and harmful computer programs that Canadians receive, thereby ensuring access to more reliable Internet services and improving privacy. • In 2010–11, the CRTC will establish its ECPA team, develop processes and begin investigating and enforcing ECPA rules.
Television renewals based on ownership groups	New	• Decisions made after a November 2009 regulatory policy hearing established a new licence-renewal framework for private conventional, pay and specialty television groups.	• In 2010–11, the CRTC will proceed with public hearings for those licence renewals based on the new policy framework. • The CRTC will also hold the licence renewal process for the CBC/SRC's radio and television services. • This process will allow for a discussion of key issues such as local and regional programming, and will ensure that CBC/SRC continues to fulfill its mandate, as set out in the *Broadcasting Act*.
Revisions to wholesale rates and terms	Previously committed to	• Ensuring that rates and terms for wholesale services are reasonable helps facilitate competition in telecommunications services.	• In 2010–11, the CRTC will continue its review of wholesale telecommunications services pricing issues and related filings, such as wholesale high-speed access services, support structures and unbundled local loops. • In response to Order in Council 2009-2007, dated December 10, 2009, the CRTC will hold a public proceeding that will include reconsideration of the matching speed requirement currently imposed on the incumbent telephone companies for the sale of high-speed access to wholesale clients.[6]

[5] On December 30, 2009, the Prime Minister announced prorogation of the Canadian Parliament. All government bills that had not received Royal Assent—including Bill C-27, *Electronic Commerce Protection Act*—effectively died on the order paper. At the beginning of the new parliamentary session, announced for March 3, 2010, the government can seek unanimous consent to reinstate a bill at its pre-prorogation stage. At the time this report was finalized, this process had not taken place.

[6] Telecom Decision CRTC 2008-117 and Telecom Order CRTC 2009-111.

Management Priorities

Management Priorities	Type	Description	Summary of Plans
A streamlined regulatory approach	Ongoing	• The new streamlined and converged rules of procedure will bring broadcasting and telecommunications procedures into greater harmony, improve CRTC transparency, encourage Canadians participation, and be better adapted to new technologies.	• The CRTC will introduce new streamlined and converged rules of procedure by the end of 2010–11. • Internal processes will be adapted to respond to new converged rules. This change will improve the CRTC's regulatory framework so that it meets the needs of a converging and increasingly competitive market.
Evaluations and audits follow-up	New	• The CRTC is committed to improving its management practices to better serve Canadians.	• In 2010–11, the CRTC management will finalize its action plan and address recommendations from the results of: o its performance in implementing the Management Accountability Framework of the Government of Canada; and o its internal audit to review and assess the effectiveness and efficiency of the regulatory processes, management practices, and systems and procedures.
An improved organization	Previously committed to	• The CRTC is committed to improving its resources management to better serve Canadians.	• In 2010–11, the CRTC will continue to implement Public Service Renewal initiatives such as: o talent management for employees; o continuity plans for key positions; and o an in-house training program for employees to enhance their knowledge about the CRTC and the industries it regulates. • The CRTC will also continue to increase the effectiveness of its IT management through such activities as: o Updating information technology platforms to keep pace with industry and government standards. o Developing service-level agreements that will be achieved through performance monitoring and infrastructure investment. o Streamlining cross-sector databases and case management systems for enhanced information dissemination.

Risk Analysis

In planning its activities for 2010–2011, the CRTC recognizes that its ability to achieve expected results depends upon many factors, some of which are beyond the CRTC's control. While the CRTC can count on its strengths and welcomes new opportunities, it faces a number of challenges and threats. For example, in a rapidly transforming global communications environment, the CRTC must keep abreast of new developments and adapt quickly. This frenetic pace can create resource challenges.

Below are lists of the CRTC's principal strengths and opportunities, as well as the challenges and threats the CRTC expects to face in the next three years.

Strengths and opportunities

- The telecommunications industry is a vital element of the Canadian economy. It produced a total of $40.3 billion in revenue in 2008[7]—a 5.5% increase over 2007—and employs approximately 110,000[8] Canadians.
- The broadcasting industry is also an essential element of the Canadian economy, in addition of being a pillar of the cultural, information and entertainment landscapes. In 2008, total broadcasting revenues were $14 billion, an increase of 7% over the previous year[9]. The broadcasting industry employs more than 32,700 Canadians.
- Many opportunities will arise to improve accessibility for Canadians as stakeholders in the broadcasting and telecommunications industries implement the requirements and objectives of the recently introduced accessibility policy.
- Technical advancements in the wireless industry offer opportunities for new services and content.
- Enhanced 911 emergency services help improve public safety and provide Canadians with more reliable services.
- Managing new responsibilities, such as the proposed *Electronic Commerce Protection Act*, offers development opportunities for CRTC staff.[10]
- The Canadian communications sector's evolution presents an opportunity to promote the development of high-quality Canadian content and infrastructure.
- As the broadcasting industry prepares for the digital transition, Canadians will start to have access to technically superior television and radio programming.
- Television stations in Canada's non-metropolitan markets now have access to funds to maintain and improve the quality of local programming through the Local Programming Improvement Fund.

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7 *Communications Monitoring Report*, 2009.

8 This figure is calculated as the average of the total monthly numbers between April 2008 and March 2009 from Statistics Canada. *Table 281-0023 - Employment (SEPH), unadjusted for seasonal variation, by type of employee for selected industries classified using the North American Industry Classification System (NAICS), monthly (persons)*, CANSIM (database).

9 *Communications Monitoring Report*, 2009.

10 See Note 5.

- The CRTC's community television review and the community and campus radio review provide opportunities to ensure access to the airwaves and to contribute to programming diversity, thus making a strong contribution to the achievement of the objectives set out in the *Broadcasting Act*.
- The CRTC's converged rules of procedure exercise, combined with the revision of related processes, create opportunities for consultation with industry and the establishment of harmonized procedures.
- The National Do Not Call List (DNCL) is widely used by Canadians. Since its launch in September 2008, more than eight million Canadian numbers were registered on the National DNCL.
- The CRTC has asked the Federal Court to review the issue of whether the *Broadcasting Act* applies to Internet service providers when they are providing access to Internet.
- Results from the 2008 Public Service Employee Survey show that CRTC employees are motivated and engaged in their work.

Challenges and threats

- The CRTC faces a growing challenge in regulating the converging broadcasting and telecommunications sectors in a manner that fulfills legislated policy objectives of two separate acts, the *Broadcasting Act* and the *Telecommunications Act*.
- The broadcasting industry faces a growing challenge where the business models of conventional television stations involved in the production and presentation of Canadian content are under strain. In addition to pressures created by the current global economic context, broadcasters are having a difficult time meeting their regulatory obligations in the face of such factors as audience fragmentation across regulated and unregulated platforms.
- The CRTC works diligently to ensure the communications sector is regulated fairly, effectively and efficiently. Ensuring compliance with regulations and conditions of licence is among the key challenges. Additional powers and tools to ensure compliance would enable the CRTC to provide maximum benefits for Canadians.
- The global economic uncertainty and its effect on the broadcasting and telecommunications industries may produce financial concerns and takeovers, create further difficulties for industry players in meeting regulatory obligations, or lead to increases in the number of applications the CRTC receives for tariff modification, for example.
- No long-term funding has been identified for the CRTC activities related to the National DNCL, including investigation and enforcement. Without funding, the CRTC will not be able to discharge its statutory responsibilities with respect to the National DNCL after March 31, 2010.
- The CRTC must manage its service-delivery functions and increasing workload with a reduced budget.
- In the absence of a review of the membership requirement of the Commissioner for Complaints for Telecommunications Services, mandatory membership for telecommunications service providers with more than $10 million in annual revenue will end on December 20, 2010.
- The implementation of plans associated with the *Electronic Commerce Protection Act* depend on the proposed legislation being reinstated and approved at the beginning of the next parliamentary session, as well as on funding availability.

- Although August 31, 2011, is the date by which television signals must convert from analog to digital, there are still challenges to be met.
- The rapidly changing technological and economic environment is a significant challenge for the CRTC. The CRTC must keep pace with change.
- The CRTC expects that further reliance on market forces in telecommunications markets will increase the number of competitive disputes. The CRTC will be called upon to resolve these disputes efficiently and effectively.
- Nearly 30% of the CRTC's workforce is eligible to retire in the next five years.
- The CRTC's timing in implementing streamlined rules of procedure depends upon the Department of Justice's review of any proposed amendments flowing from public consultation.
- From time to time, the CRTC is called on by the Governor-in -Council to address an issue on a priority basis. To respond to these requests, the CRTC needs to reconsider the schedule of its planned activities and, as a result, some elements presented in this report could be postponed or cancelled.
- The potential for a high volume of complaints related to Internet traffic management practices could result in a shortage of financial and human resources.
- Shared responsibility between Industry Canada and the CRTC for determining levels of Canadian ownership and control under the *Telecommunications Act* may create inefficiencies and delays to approve new entrants into the wireless telecommunications sector.
- New[11] or changing legislation[12] as well as the potential for additional statutory responsibilities could generate new job requirements for the CRTC that would necessitate new skills and expertise.
- The CRTC's timing in implementing the revised Part II broadcasting licence fee regulations, allowing to recover $100 million in 2010–11, is dependent upon the Treasury Board Secretariat's approval. The Department of Justice's review of any proposed amendments flowing from the public consultation is another factor that will affect the timing.

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[11] Such as Bill C-27, *Electronic Commerce Protection Act* – see footnote 5.

[12] This was the case when the *Telecommunications Act* was modified to include the National Do Not Call List.

Expenditure Profile

Canada's Economic Action Plan

Canada's Economic Action Plan is a comprehensive stimulus package that was announced by the Government of Canada in the 2009 Budget. It represents Canada's plan to stimulate our economy, protect Canadians during the global recession and invest in our long-term growth[13].

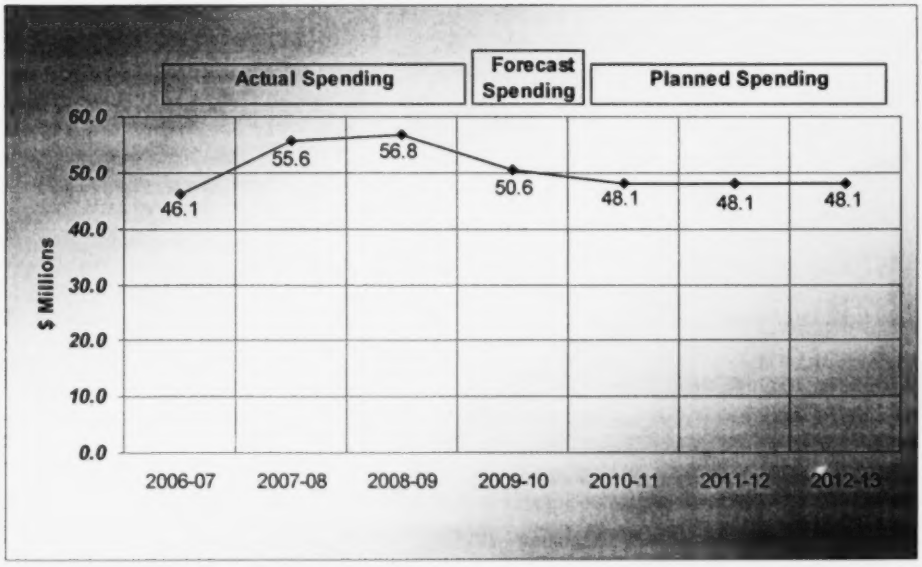
The following table shows the CRTC's participation in Canada's Economic Action Plan.

CRTC *Canada's Economic Action Plan* at the CRTC

2010–11: $14,000 student hiring
2010–11: $80,000 (MOU broadband mapping exercise with Industry Canada)
2011–12: $80,000 (MOU broadband mapping exercise with Industry Canada)

For 2010–11, the CRTC plans to spend $48.1 million to meet the expected results of its program activities and contribute to its strategic outcome. This amount represents a decrease of $2.5 million—approximately 5%—compared to 2009–10.

The figure below illustrates the CRTC's spending trend from 2006–07 to 2012–13.



[13] Budget 2009 is available at http://www.budget.gc.ca/2009/speech-discours/speech-discours-eng.asp. For more information about Canada's Economic Action Plan, please see the Government of Canada web site at www.canada.gc.ca.

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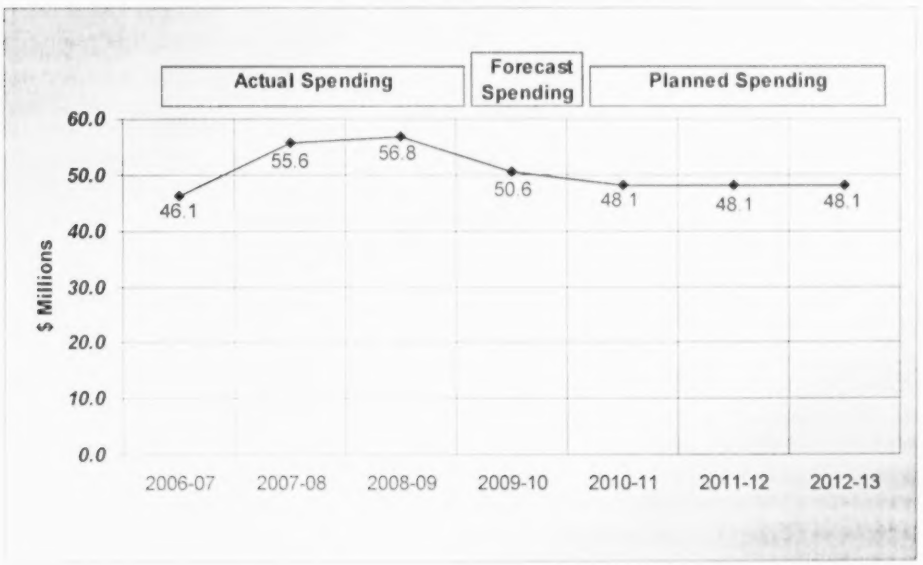

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For the 2006–07 to 2008–09 periods, the total spending figures include all Parliamentary appropriation and revenue sources: Main Estimates, Supplementary Estimates, Treasury Board Vote transfers and revenues from Part I broadcasting licence fees and telecommunications fees. The figures also include operating budget carry-forward adjustments.

For 2007–08 and 2008–09, the CRTC received temporary funding to address increased workload related to its legislative and regulatory responsibilities. Details on the approved increases and the related billing impact for broadcasting and telecommunication industries are noted in Broadcasting Circular CRTC 2007-9 and Telecom Circular CRTC 2007-18 dated December 21, 2007.

The amount for 2009–10 includes the Main Estimates and Supplementary Estimate amounts (i.e. authorized budget carry-forward and the temporary funding received for the activities related to the National Do Not Call List).

For fiscal years 2010–11 to 2012–13, total spending figures correspond to the planned vote-netted revenues[14] and statutory appropriation related to employee benefit plans. Supplementary funding and carry-forward adjustments are unknown at this point and therefore not reflected.

Voted and Statutory Items

($ million)

Vote # or statutory Item (S)	Truncated vote or statutory wording	2009–10 Main Estimates	2010–11 Main Estimates
1	Operating expenditures	-	-
(S)	Contributions to employee benefit plans	5.4	5.7
	TOTAL	5.4	5.7

Program Activities - As per Main Estimates

($ million)

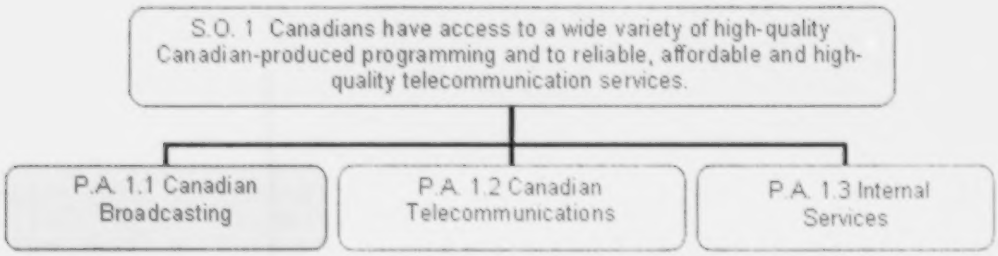
	2010–2011 Main Estimates		
	Budgetary		Total
	Operating	Less: Revenues credited to the vote	
Internal Services	16.5	14.4	2.1
Canadian Broadcasting	17.5	15.5	2.0
Canadian Telecommunications	14.1	12.5	1.6
	48.1	42.4	5.7

[14] The CRTC is funded through fees recovered from the industries it regulates. The CRTC has been granted vote-netting authority by Treasury Board and Parliament. Vote-netting is a means of funding selected government programs or activities whereby Parliament authorizes a department or agency to apply revenues towards costs directly incurred for specific activities. The Part I broadcasting licence fees and the telecommunications fees are used to finance the CRTC's operating budget.

Section II: Analysis of Program Activities by Strategic Outcome

Strategic Outcome 1.0

Program Activity 1.1: Canadian Broadcasting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P.A. 1.1 Canadian Broadcasting
P.A. 1.2 Canadian Telecommunications
P.A. 1.3 Internal Services

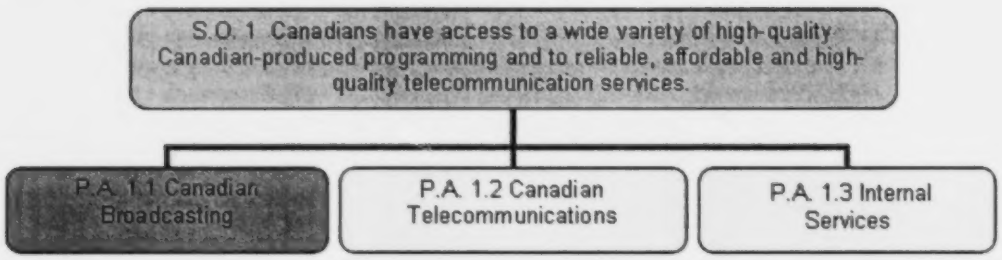
Human Resources (FTEs) and Planned Spending ($ millions)					
2010–11		2011–12		2012–13	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
133	17.5	133	17.5	133	17.5

Program Activity expected results	Performance indicators	Targets
The Canadian broadcasting system consists of a variety of voices that represent Canada's linguistic and cultural diversity.	Level of Canadian content throughout the television and radio media.	Thirty-five percent of radio selections are Canadian and 60 %[15] of conventional television content is Canadian.
	The levels of diversity of voices, as measured in the CRTC Monitoring Report, for radio and conventional television.	No more than 70% of the radio market shares (measured by revenue) shall be held by the five largest private radio operators. No more than 75% of the conventional television market shares (measured by revenue) shall be held by the four largest English-language private conventional television ownership groups. No more than 60 % of the conventional television market shares (measured by revenue) shall be held by the two largest French-language private conventional television ownership groups.

[15] The CRTC Management Results and Resources Structure incorrectly sets a target of 50% of television content. According to *Television Broadcasting Regulations, 1987*, Section 4(6), 60% of conventional television content must be Canadian.

Strategic Outcome 1.0

Program Activity 1.1: Canadian Broadcasting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P.A. 1.1 Canadian Broadcasting
P.A. 1.2 Canadian Telecommunications
P.A. 1.3 Internal Services

Human Resources (FTEs) and Planned Spending ($ millions)					
2010–11		2011–12		2012–13	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
133	17.5	133	17.5	133	17.5

Program Activity expected results	Performance indicators	Targets
The Canadian broadcasting system consists of a variety of voices that represent Canada's linguistic and cultural diversity.	Level of Canadian content throughout the television and radio media.	Thirty-five percent of radio selections are Canadian and 60 %[15] of conventional television content is Canadian.
	The levels of diversity of voices, as measured in the CRTC Monitoring Report, for radio and conventional television.	No more than 70% of the radio market shares (measured by revenue) shall be held by the five largest private radio operators. No more than 75% of the conventional television market shares (measured by revenue) shall be held by the four largest English-language private conventional television ownership groups. No more than 60 % of the conventional television market shares (measured by revenue) shall be held by the two largest French-language private conventional television ownership groups.

[15] The CRTC Management Results and Resources Structure incorrectly sets a target of 50% of television content. According to *Television Broadcasting Regulations, 1987*, Section 4(6), 60% of conventional television content must be Canadian.

Canadians continue to have access to the broadcasting system through traditional and new platforms.	Over-the-air broadcasters successfully managed transition from analog to digital transmission to ensure access for all Canadians.	All over-the-air television broadcasters in urban areas have achieved transition from analog to digital transmission. All over-the-air broadcasters in rural areas have alternate solutions in place to ensure access to digital signals.

Canada Economic Action Plan

No elements of Canada's Economic Action Plan support this program activity.

Planning Highlights

Implementation of the Broadcasting Distribution Undertaking and Specialty Services Policy

The CRTC announced new policies and proceedings[16] to ensure its regulatory framework for cable, direct-to-home satellite distribution and specialty undertakings is appropriate for a multi-platform digital environment. The majority of related changes will come into effect on August 31, 2011. Throughout 2010–11, the CRTC will implement these policies in preparation for the August 2011 deadline. The updated regulatory framework for distributors and specialty programming services will ensure that Canadians continue to have access to a wide variety of high-quality Canadian programming.

Accessibility Policy

In the next three years, as television and radio licences are issued and renewed, the CRTC will continue to implement the requirements of, and follow up on the processes set out in, its regulatory policy on the accessibility of broadcasting and telecommunications services to persons with disabilities.[17] Activities under this program activity will ensure, for example, improved access for persons with disabilities to described video and closed captioning.

Community Television Review and Community and Campus Radio Review

The CRTC will hold two public hearings in 2010. One to review the CRTC's policy for campus and community radio and the other to review its policy for community television. The CRTC will implement the revised policies through conditions of licence and changes to the *Radio Regulations*, the *Television Regulations* and the *Distribution Regulations*. The new policies will ensure that the community sector of broadcasting makes a strong contribution to the achievement of the *Broadcasting Act*'s objectives.

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[16] CRTC 2008-100, 2008-101, 2008-102 and 2008-103.

[17] Broadcasting and Telecom Regulatory Policy CRTC 2009-430.

Local Programming Improvement Fund (LPIF)[18]
In 2009–10, the CRTC established the LPIF to maintain the quality of local television programming in non-metropolitan television markets across Canada. The fund is independently administered and requires financial information and eligibility assessment from the CRTC. The Terms and Conditions of the LPIF have been established for 2009–10 and are subject to review by the CRTC in 2010–11. The CRTC will also establish a reporting system to provide the fund's administrator with the information necessary to receive contributions and make disbursements.

Monitoring
In 2010–11, the CRTC will monitor the financial and market performance of the Canadian communications industry and its participants. As a follow up to its review on broadcasting in new media,[19] the CRTC will hold a public proceeding to establish requirements and standards for collecting information on new media broadcasting. This process will allow for a better measurement and understanding of the impact of broadcasting in new media.

As part of its monitoring activity, the CRTC verifies regulatory compliance and ensures that broadcasters meet their licensing conditions. In addition, the CRTC plans to release its new Radio Market report that will provide statistical and financial data covering a five-year period for the radio sector, by market size, and support a more efficient means to assess radio licence applications.

Benefits for Canadians

The broadcasting industry is an essential element of the Canadian economy, in addition of being a pillar of the cultural, information and entertainment landscapes. While the global economic downturn puts pressure on the industry, Canadians continue to enjoy important benefits, such as:

- more than 32,700 Canadians employed by the broadcasting industry
- new mechanisms that support local programming
- timely and efficient complaints-resolution mechanisms
- a diversity of voices within the Canadian communications industry
- enhanced access by persons with disabilities to television programming
- better and increasing access to television programming in digital and high-definition formats
- meaningful relationships with Canadian and international regulatory policy-makers to benefit from best practices
- a flexible and forward-looking regulatory framework that responds to evolving consumer needs and industry realities, and
- access to high-quality diverse Canadian programming from the private, public and community elements of the Canadian broadcasting system.

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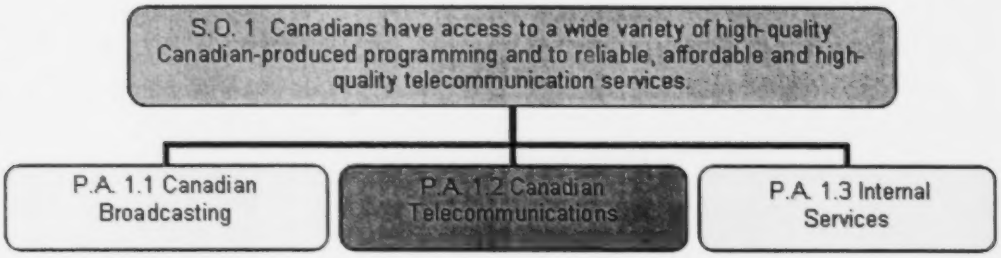
[18] The LPIF is administered by a third-party administrator. The LPIF is funded directly through contributions from licensed broadcast distribution undertakings (ie. 1.5% of their basic and non basic revenues derived from broadcasting activities during the previous broadcast year). The costs of the CRTC's activities related to the LPIF are absorbed internally through its existing A-base allocation.

[19] Broadcasting Regulatory Policy CRTC 2009-329, paragraph 55.

Program Activity 1.2: Canadian Telecommunications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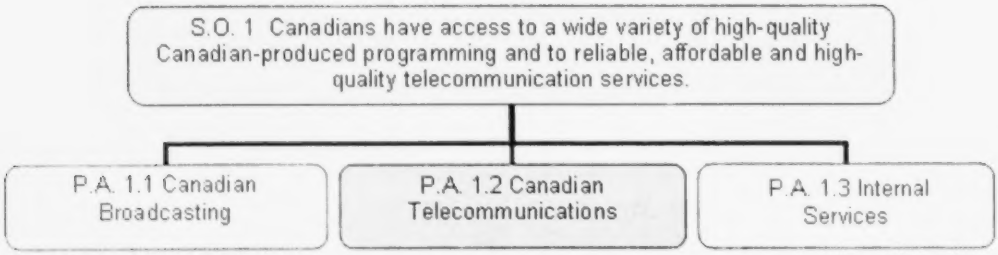
P.A. 1.1 Canadian Broadcasting
P.A. 1.2 Canadian Telecommunications
P.A. 1.3 Internal Services

Human Resources (FTEs) and Planned Spending ($ millions)					
2010–11		2011–12		2012–13	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
130	14.1	130	14.1	130	14.1

Program Activity expected results	Performance indicators	Targets
Canadians have access to a choice of service providers that offer reliable telephone and other high-quality telecommunications services at reasonable rates.	Access to increased local competition.	A 2% increase in the residential phone lines served by competitors to the incumbent telephone companies.
	Increase in local-exchange service rates for a given year.	Increases in local-exchange service rates are limited to the rate of inflation.
	The number of quality-of-service complaints.	Maintain a maximum threshold of 10,000 quality-related complaints received.
Increased reliance on competitive market forces to implement the *Telecommunications Act*'s policy objectives.	Number of existing regulatory measures reviewed.	At least five existing regulatory measures to be reviewed with the goal of streamlining processes and increasing reliance on market forces.
	The percentage of total telecommunications revenues not subject to regulation.	Maintain a minimum threshold of 90% of telecommunications service revenues derived from deregulated services.

Program Activity 1.2: Canadian Telecommunications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Canada's Economic Action Plan

The CRTC Broadband Mapping Initiatives

The CRTC will build on its three-year broadband mapping initiatives, which are partially funded by Canada's Economic Action Plan, to identify broadband Internet access across Canada. This initiative supports Industry Canada's $225-million broadband expansion program. The CRTC will also study the availability of broadband mobile services. In 2010–11 and 2011–12, the CRTC will map Canada's broadband infrastructure by collecting data on broadband speeds available across the country. This data is essential to determine the extent to which Canadians can benefit from broadband Internet connections and the resulting access to existing and new business models and applications in areas such as health care, education, entertainment, communications and commerce.

Planning Highlights

Internet Traffic Management Practices (ITMPs)

As Canadians use the Internet for a wider variety of communications purposes than ever before, the CRTC must strike an appropriate balance between serving the public interest and supporting Internet service providers' (ISP's) need to innovate and protect their networks from congestion. In 2010–11, the CRTC will review the practices of ISPs in response to any complaints it receives, or if it considers it necessary.[20] These reviews will ensure that Canadians continue to have access to high-quality Internet services.

Review of the Commissioner for Complaints for Telecommunications Services (CCTS)

In 2010–11, the CRTC will hold a public proceeding to review the mandatory membership requirement related to the Commissioner for Complaints for Telecommunications Services, as well as the agency's mandate, structure and effectiveness. As indicated in 2007,[21] the review is necessary to ensure the CCTS meets its mandate to resolve residential and small-business retail customers' complaints and to develop industry codes of conduct and standards. The CRTC will monitor the CCTS's progress through 2011–12 and beyond.

National Do Not Call List (DNCL)

In 2008, the CRTC launched the National DNCL to reduce the number of unwanted telemarketing calls Canadians receive and help ensure the privacy of Canadians. In 2010–11, subject to the receipt of incremental funding,[22] the CRTC plans to continue to:

- manage the National DNCL Operator
- submit its annual report to Parliament
- investigate complaints and enforce the Unsolicited Telecommunications Rules, and
- educate telemarketers and consumers about the National DNCL and associated rules.

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20 As set out in Telecommunications Regulatory Policy CRTC 2009-657.

21 See Telecom Decision CRTC 2007-130 and Telecom Decision CRTC 2008-46.

22 As indicated in the risk-analysis section, at the time of writing this report, no long-term funding had been identified for the CRTC activities related to the National DNCL, including investigation and enforcement. Without funding, the CRTC will not be able to discharge its statutory responsibilities with respect to the National DNCL after March 31, 2010.

Accessibility Policy

In 2010–11, the CRTC will implement the requirements for telecommunications undertakings and follow-up processes set out in the regulatory policy to improve accessibility of broadcasting and telecommunications services to persons with disabilities.[23] Activities under this program activity will ensure, among other things, improved access for persons with disabilities to relay services, mobile wireless handsets, and customer information and support.

Monitoring Activities

In 2010–11, the CRTC will monitor the financial and market performance of the Canadian communications industry and its participants, as well as the deployment of broadband facilities and capabilities. The CRTC will assess the extent to which Canadians have access to advanced telecommunications services, particularly mobile broadband wireless services. The CRTC will continue to work with Statistics Canada to streamline data-reporting requirements and procedures for the industries. The CRTC will release its annual *Communications Monitoring Report*.

Telecommunications Regulations Review

A focused and modernized regulatory framework enables telecommunications service providers to operate under fewer and more current regulations, and helps the industry function in a competitive environment. In 2010–11, the CRTC will review economic, non-economic, and social telecommunications regulatory measures raised by the industry in light of the December 2006 Governor in Council's Policy Direction.[24] Some of the measures the CRTC will review include the local-service subsidy regime, the obligation to serve, and the basic service objective. The CRTC will also consider the appropriateness of implementing local competition in small incumbent local exchange carriers' territories.

Dispute Resolution

As competition becomes more intense in a converged environment with less regulation and greater reliance on market forces, the CRTC's role in resolving disputes is expected to grow in the coming years. The CRTC encourages parties to resolve their differences through private third-party mediation or arbitration, bilateral negotiations or other means, without CRTC participation. When these means do not resolve matters, parties may come to the CRTC for staff-assisted mediation, final-offer arbitration or expedited hearings. Streamlined dispute-resolution tools contribute to a more effective, predictable and efficient regulatory framework for entities, and improved services to Canadians.

International Outreach

In 2010–11, the CRTC will continue its international outreach and information-sharing initiatives to understand the evolving economic, social and regulatory landscape of communications services in an increasingly globalized context. The CRTC will apply experience from other jurisdictions to Canadian challenges and ensure Canada's position is represented internationally by sharing best practices, participating in joint research projects and collaborating on Canadian-industry data collection exercises.

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[23] CRTC Broadcasting and Telecom Regulatory Policy 2009-430.

[24] *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, December 14, 2006.

Benefits for Canadians

Through its regulatory and monitoring activities, the CRTC ensures that all Canadians enjoy reliable, affordable and high-quality telecommunications services across the country. Where the CRTC is satisfied that the marketplace is competitive—and consumers are protected—the CRTC relies on market forces to the maximum extent possible. Where market forces do not protect consumers, the CRTC regulates with appropriate measures. The telecommunications industry is a vital element of the Canadian economy.

The telecommunications industry offers the following benefits to Canadians:

- employment for approximately 110,000[25] Canadians
- greater privacy protection through the National DNCL
- a wide range of services that connect Canadian citizens and businesses
- greater confidence in e-commerce through the introduction of the ECPA[26]
- assurance that rates for telecommunications services are reasonable
- assurance that the Canadian emergency-service system keeps pace with new technology via 911 service improvements
- recourse for complaints about telecommunications services in deregulated areas through the CCTS, and
- greater choice and pricing flexibility for telecommunications services through increased competition.

In addition, Canadian telecommunications compare favourably with those in other countries.[27] For example, Canada has the highest proportion of households with broadband connections among G7 countries, and residential local and long-distance service prices in Canada are among the lowest of the 30 member countries of the Organisation for Economic Co-operation and Development.[28]

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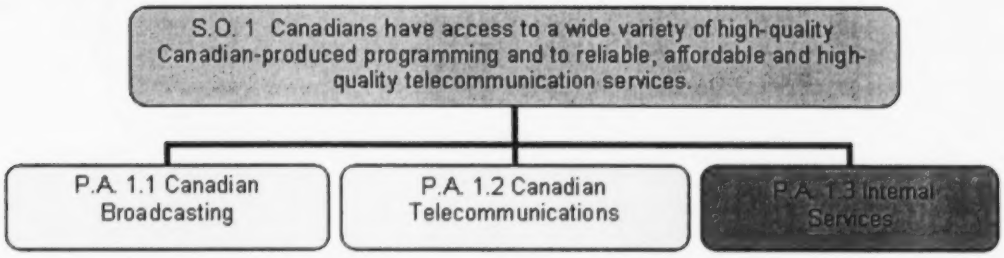
[25] This figure is calculated as the average of the total monthly numbers between April 2008 and March 2009 from Statistics Canada. *Table 281-0023 - Employment (SEPH), unadjusted for seasonal variation, by type of employee for selected industries classified using the North American Industry Classification System (NAICS), monthly (persons)*, CANSIM (database).

[26] See note 5.

[27] Detailed data on how Canada compares internationally can be found in the *Communications Monitoring Report 2009* at http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2009/cmr.htm.

[28] See *OECD Communications Outlook 2009*, figures 7.2, 7.3, and 7.4.

Program Activity 1.3: Internal Services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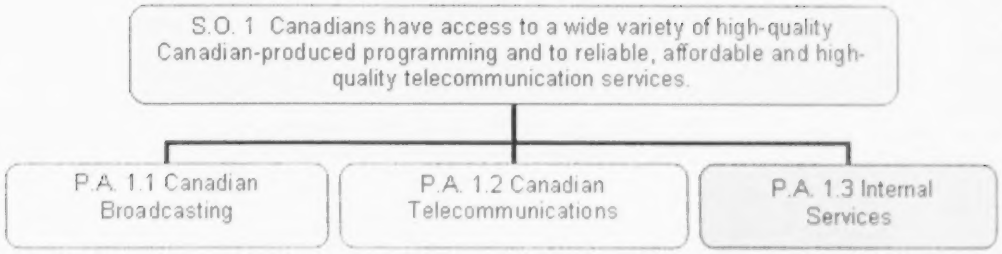
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
162	16.5	162	16.5	162	16.5

Program Activity expected results	Performance indicators	Targets
The CRTC incorporates a new, streamlined regulatory framework and reporting process for industry.	Streamlined reporting mechanism for industry.	Comments from stakeholders confirm fewer reporting obligations and better adapted processes.
	A final, streamlined set of regulations.	Industry consultation process completed and comments analyzed. The final set of regulations was submitted to the Department of Justice for approval. Adoption of a new regulatory framework.
The CRTC is an innovative, expert and effective organization.	Successful implementation of CRTC's continuity plan as part of the Public Service Renewal Action Plan.	Talent development plans are in place for all employees. All leadership positions have been filled.
	Modernize employee desktop operating system.	Increased employee satisfaction.
	Greening of CRTC operations.	Thirty percent of public hearings are now conducted electronically, reducing the need for paper documents during public hearings.

Program Activity 1.3: Internal Services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	Modernize employee desktop operating system.	Increased employee satisfaction.
	Greening of CRTC operations.	Thirty percent of public hearings are now conducted electronically, reducing the need for paper documents during public hearings.

Canada's Economic Action Plan

In 2010-11, the CRTC will draw on the fund created to increase student hiring in the federal public service to hire 5 to 10 students.

Planning Highlights

Implementation of the settlement between the Government of Canada and members of the broadcasting industry on Part II broadcasting licence fees received by the CRTC
Part II licence fees are regulatory charges for the privilege of holding a broadcasting licence and recover part of the significant annual investment by the Government of Canada in the Canadian broadcasting system. Following the October 7, 2009 announcement of a settlement between the Government of Canada and members of the broadcasting industry regarding Part II broadcasting licence fees, the CRTC is developing a new fee regime, for the broadcasting year commencing on September 1, 2009. In 2010-11, the CRTC will continue its work, including a public process[29] to amending the *Broadcasting Licence Fee Regulations, 1997,* to have the new regulation in effect rapidly and licence fees due and payable on December 1, 2010.

Enhanced Information Technology (IT) Management
In 2010–11, the CRTC will harmonize its IT planning process to reduce complexity, promote system integration and optimize service delivery. Through various internal initiatives, the CRTC will improve its electronic communication capabilities, implement an integrated case-management system, increase access for Canadians to a broad range of information and develop an IT risk-management program and governance model.

Public Service Renewal
The CRTC is making progress in its efforts toward the Public Service Renewal exercise. Nearly 30 percent of the CRTC's workforce is eligible to retire in the next five years. As a result, the CRTC has initiated a detailed action plan to help attract, develop and retain dynamic, skilled and effective employees. In 2010–11, the CRTC will continue with important initiatives such as leadership-development training, job standardization, and professional development and training.

Greening of Public Hearings Related Processes
In 2010–11, the CRTC will continue to offer online access to all hearings-related files. It will also adopt a secure method for submitting and distributing all official documentation related to public hearings. These processes will allow shorter, more efficient and environmentally responsible procedures, enhancing the CRTC's services to commissioners and the public, and reducing costs.

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[29] Broadcasting Notice of Consultation 2009-797

Benefits for Canadians

- The CRTC's processes are transparent and efficient.
- Once implemented, the streamlined and focused rules will be well adapted to new technologies.
- The new fee regime for broadcasters will provide stability and predictability for the industry, and protect the interests of Canadians.
- Improved electronic communications capabilities allow for better service and access for Canadians.
- Greener practices reduce costs, enhance effectiveness and reduce environmental impact.

Section III: Supplementary Information

Supplementary Information Tables

Electronic supplementary information tables found in the *2010–11 Report on Plans and Priorities* can be found at: www.tbs-sct.gc.ca/rpp/2010-2011/info/info-eng.asp.

The table ***Sources of Respendable and Non-respendable Revenue*** is available on the Treasury Board Secretariat Web site.

The table ***CRTC fees*** is available on the Treasury Board Secretariat Web site.

Other items of interest

A list of *CRTC* ***Commissioners*** is available at:
www.crtc.gc.ca/eng/about/commissioners.htm

The list of ***CRTC contacts and Offices*** can be found at:
www.crtc.gc.ca/eng/contact.htm

The list of ***legislation, statutes and regulations*** related to the CRTC can be found at:
www.crtc.gc.ca/eng/statutes-lois.htm

Definitions of terminology used in this document can be found at:
http://www.crtc.gc.ca/eng/glossary-glossaire.htm